REMARKS

Claims 1-5 and 7-20 are pending in the present application. The Examiner has rejected claims 1-5 and 7-20.

CLAIM REJECTIONS

Rejections Under 35 USC § 103

The Examiner continues to reject claims 8-11 under 35 U.S.C. 103(a) as being unpatentable over Jones et al. (US 6,363,164 B1) in view of Ramachandran et al (US 6,941,274 B1), and further in view of Partyka et al. (US 5,941,363).

Applicant respectfully disagrees. The Applicant notes that in the Examiners 35 USC 103 rejection of claim 8 and the description of the combination of Jones, Ramachandran, and Partyka, there is no discussion of the claim element:

"in a bill acceptor-dispenser accepting and validating notes inserted as payment in a vending transaction, storing selected notes inserted as payment in the vending transaction in a dispensable fashion for use as change in a later vending machine transaction and storing all other received notes inserted as payment in a non-dispensable fashion" ("storing selected notes" element).

Because this element is not described by the Examiner or taught, described, or suggested by any of the references, either alone or in combination, Applicant contends that independent claim 8 is allowable over all of the cited art references, either alone or in combination.

Although the Examiner states "Jones also discloses an escrow holding area in col. 77, lines 51-54." Applicant contends that this portion of Jones does not disclose the "storing selected notes" element referred to above. Applicant takes the opportunity to identify the basis in the specification providing support for the distinguishing claim elements so as to present the construction of this claim element to more clearly show the differences between the cited combination and the independent claim. Support for this element is as follows:

"This is directed to a bill acceptor and dispenser 60 that receives, validates and then transports bills to one of two locations. (See paragraphs 29, 31 32, and Figures 2 and 4). Some notes are transported for storage in a dispensable fashion (in note hopper 74) to be used as change in a vending machine transaction. All other bills are transported for storage in a non-dispensable fashion (in note box 72). (See paragraphs 35-42, 44, 45, 47-52, and Figures 2, 4, and 11)."

By contrast, the citation to Jones reads as follows: "The transport mechanism may also include an escrow holding area where the document being processed in a pending deposit transaction is held until the transaction is complete." Jones at column 77, lines 51-54. This does not describe the storage of some bills used as payment in a note hopper in a dispensable fashion to be used as change and all others in a note box as called out by the claim element. The Examiner makes no other statements in the rejection regarding this element.

Rejection of claims 1-5, 7, and 12-18

The Examiner further rejects claims 1-5, 7 and 12-18 under 35 U.S.C. 103(a) as being unpatentable over Jones et al. in view of Ramachandran, further in view of Partyka and still further in view of Katou et al. (US 2004/0182677 A1).

Applicant respectfully disagrees. The combination suggested by the Examiner fails to teach, describe, or suggest all of the elements of the method of amended independent claims 1, 7, 18, 19, and 20. For example, independent claims 1, 7, 18, 19, and 20 include the element of accepting notes as payment in a vending transaction where some notes are stored in a dispensable fashion for later use as change in a separate vending transaction and other notes accepted as payment in a vending transaction are stored in a non-dispensable fashion.

Although the Examiner states "Jones also discloses an escrow holding area in col. 77, lines 51-54." Applicant contends that this portion of Jones does not disclose the "storing selected notes" element referred to above. Applicant takes the opportunity to identify the basis in the specification providing support for the distinguishing claim elements so as to present the

construction of this claim element to more clearly show the differences between the cited combination and the independent claim. Support for this element is as follows:

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By contrast, the citation to Jones reads as follows: "The transport mechanism may also include an escrow holding area where the document being processed in a pending deposit transaction is held until the transaction is complete." Jones at column 77, lines 51-54. This does not describe the storage of some bills received as payment in a vending transaction in a note hopper in a dispensable fashion to be used as change in a later vending transaction and all others received in a vending transaction in a note box as called out by the claim element. The Examiner makes no other statements in the rejection regarding this element.

The Examiner cites to Ramachandran as teaching that an ATM can be retrofitted into an existing vending machine and that Ramachandran teaches the making of change to a customer. The discussion cited by the Examiner has to do with a merchant who owns the ATM described in Ramachandran withdrawing cash from the ATM to use as change in the merchant's business.

The withdrawing of cash from an ATM is not change in a vending machine transaction. As noted in the Abstract of Ramachandran, "The machine provides for the safe-keeping of excess cash from a merchant's business operations."

The operation of Ramachandran cited by the Examiner occurs when a merchant is low on change in the merchant's cash register. The merchant makes a withdrawal from the separately located ATM machine and puts the cash manually into the merchant's cash register. Later, if a customer purchases something in the store, the merchant might use some of this withdrawn cash as change in the transaction. Such a manual transaction lacks the claimed element of a vending

machine transaction as called out in the "storing selected notes" claim element of claim 8.

Further, the storage of cash in the ATM lacks the claim element of storing selected notes in a dispensable fashion and storing all other notes in a non-dispensable fashion as called out in the "storing selected notes" element of claim 8. There is no enabling teaching in Ramachandran of accepting notes as payment in a vending transaction and storing some of those notes in a dispensable fashion as change in a later vending transaction and storing others of those notes in a non-dispensable fashion.

The Examiner contends in part that the recycle boxes 80 of Katou store bills in a non-dispensable condition. The Examiner then contends that withdrawal box 70 of Katou stores bills to be deposited and withdrawn and so is construed to store bills in a dispensable condition. The Examiner further contends that the temporary storage box 40 of Katou is also considered to store bills in a dispensable condition.

Applicant respectfully disagrees with the Examiner that the temporary storage box 40 of Katou stores bills in a dispensable fashion as called out in the independent claims. Katou does not accept bills as payment in a vending machine transaction. Katou is a device directed to deposits and withdrawals, not vending transactions. The temporary storage box 40 of Katou is NEVER used for making change in a later vending transaction. Instead, it temporarily holds deposited bills in case the transaction is reversed or cancelled. Then it returns those bills (and only those bills) to the user. There is no change making operation in Katou. This is made clear in paragraph 79 of Katou which states:

"The temporary storage box 40 has a function of successively accepting bills deposited from the deposit/withdrawal port 20 and kind-settled by the bill discriminating unit 30 at the time of deposit transaction, reserving them temporarily until the transaction is materialized, and successively discharging the bills after the materialization of the transaction. Besides, though the details will be described later, the temporary storage box 40 in the present embodiment has a function of accepting bills which are not kind-settled by the bill discriminating unit 30 at the time of withdrawal transaction, reserving them temporarily until the withdrawal transaction is

materialized, and after the termination of the operation, discharging the bills at the time of withdrawal reject acceptance operation." (emphasis added). Katou at page 5, paragraph 79.

Thus, the only time bills come back out of the temporary storage box and provided is when a transaction is canceled as described in paragraph 96 as follows:

"At the time of cancel return (see FIG. 9), the rotary drum 401 is rotated in a direction reverse to that at the time of acceptance into the temporary storage box 40. The switching gate 504 is switched to a direction indicated by 504b. Bills wound around the rotary drum 401 are transported as indicated by arrows 501e and 501f, in a sequence reverse to that at the time of acceptance into the temporary storage box 40. The bills are then accepted into the deposit/withdrawal port 20 for return to the user." (emphasis added). Katou at page 8, paragraph 96.

Thus Applicant contends that the temporary storage box 40 does not perform the functions of the hopper as described and claimed in the above cited elements of independent claims 1, 7, 18, 19, and 20. This is because the temporary storage box of Katou does not teach the claim element of storing notes received as payment in a vending transaction and selected to be dispensed as change nor the claim element of dispensing notes as change in a later vending transaction from the note hopper.

The Examiner also discusses the withdrawal box 70 of Katou stating "Even if the temporary box is ignored, the withdrawal box expressly discloses storing bills for both deposit and withdrawal to make change". Applicant respectfully disagrees.

Applicant now addresses withdrawal box 70 and respectfully disagrees with the Examiner that it teaches the hopper of the independent claims. Firstly, the withdrawal box 70 does not receive bills from the note acceptor dispenser as payment in a vending transaction as in the present independent claims. Instead, the withdrawal box 70 of Katou is manually loaded by a clerk. As stated in paragraph 86:

Bills for withdrawal are set in alignment (or with evenness) by a clerk in charge into an accepting space enclosed by a bottom plate guide 709, a push plate 706, a separation guide 705 and an upper face guide 708 with the foremost bill pushed against the pickup roller 711 by a spring (not shown) coupled to the push plate 706." (Emphasis added). Katou at pages 6-7, paragraph 86.

Katou goes on to make it clear that the withdrawal box 70 does not accept bills as payment during a vending operation by contrasting the recycle box 80 with the deposit box 60 and withdrawal box 70 stating:

"The recycle box 80 has both the function of the deposit box 60 of continuously accepting bills and the function of the withdrawal box 70 of continuously delivering bills in a separated manner." (Emphasis added). Katou at page 7, paragraph 88.

Katou then goes on to describe the complex mechanism of the recycle box that allows both deposit and withdrawal of bills, a system that is not found in the withdrawal box 70. Thus it is clear that the withdrawal box 70 cannot perform the claimed function of receiving bills for storage in a dispensable manner from the acceptor dispenser as called out in the above noted claim elements of claims 1, 7, 18, 19, and 20. The box 70 of Katou can only receive bills manually loaded outside the normal operation of the ATM of Katou.

Thus, the system of the independent claims is not taught, described, or suggested by the combination cited by the Examiner.

Rejection of claims 19-20

The Examiner further rejects claims 19 and 20 under 35 U.S.C. 103(a) as being unpatentable over Jones et al. in view of Ramachandran, further in view of Partyka and still further in view of Katou et al. (US 2004/0182677 A1) and still further in view of Pope (US 2002/0195309).

Applicant respectfully disagrees. For the reasons stated above, at least one element, the "storing selected notes" element, is missing from the combination. Pope does not teach

this element so this new combination still fails to teach, describe, or suggest the elements of independent claims 19 and 20.

In view of the above amendments and remarks, applicants respectfully request that this application be reviewed and that the claims, as amended, be allowed.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

Dated: November 24, 2008

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